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ON LABOUR AND INCOME

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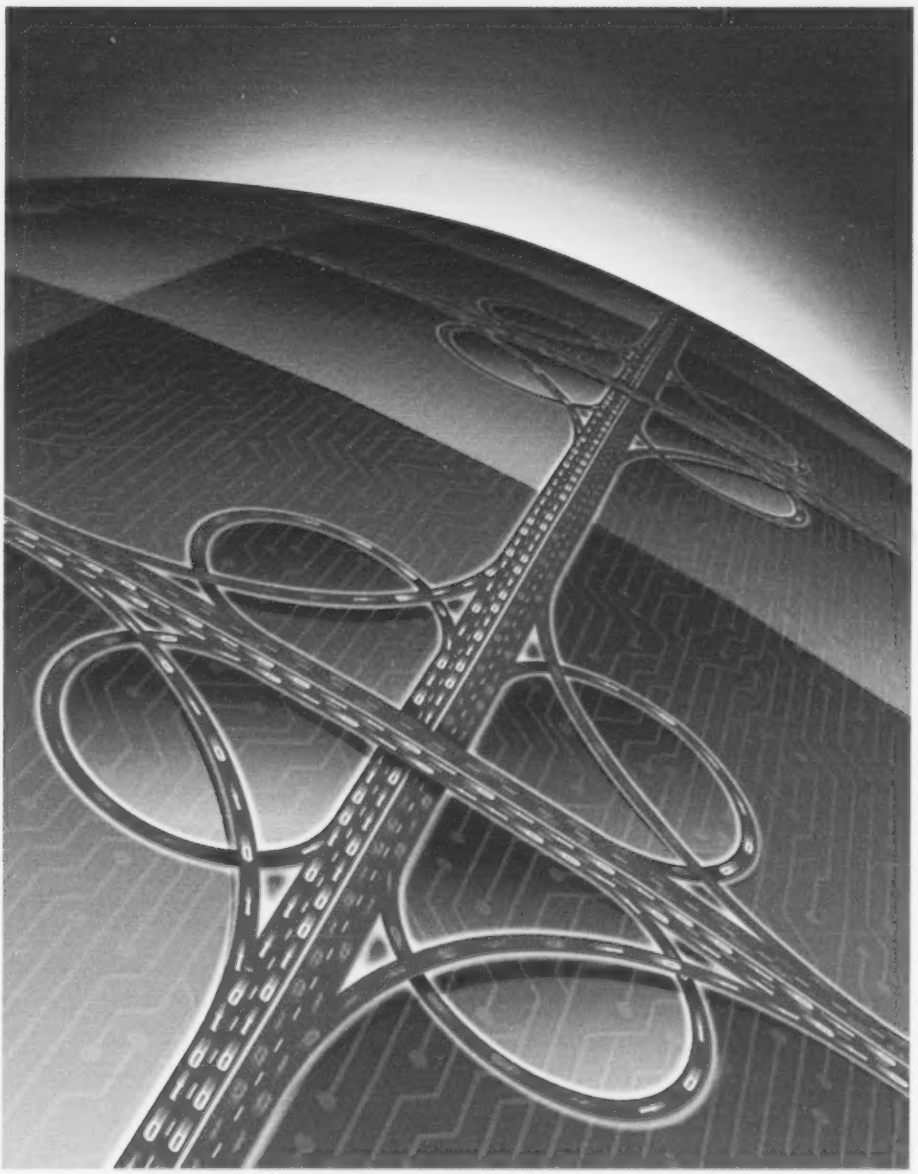
- BENEFITS OF THE JOB
- HEALTH-RELATED INSURANCE FOR THE SELF-EMPLOYED
- WORK ABSENCES



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r revised
x confidential
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F too unreliable to be published

Highlights

In this issue

Benefits of the job

- In 2000, 62% of employees were offered at least one employer-sponsored insurance—extended medical, dental or life/disability. Half were offered all three.
- Almost half of employees (46%) were covered by an employer-sponsored pension plan; less than 1 in 10 were offered a stock purchase or profit sharing plan.
- The most common 'family-friendly' workplace benefits included employee assistance programs and fitness and recreation facilities, offered to 28% and 14% of employees respectively.
- Good jobs went hand in hand with access to non-wage benefits. Employees in high-paying, unionized, full-time or permanent jobs were much more likely to have access to all types of non-wage benefits.
- The cost of mandatory non-wage benefits for employers (Employment Insurance, Canada/Quebec Pension Plan, and workers' compensation) increased from 5% of payrolls in 1961 to 12% in 1998. The cost of discretionary benefits (employer-sponsored insurance, pensions, paid leave, profit and stock option plans) also rose, helping to push the cost of non-wage benefits from 23% to 36% between 1961 and 1998.

Health-related insurance for the self-employed

- Unlike employees, the self-employed cannot benefit from employer-sponsored extended health, dental or disability insurance plans. Not surprisingly then, only 17% of the self-employed had all three types of coverage in 2000, compared with 50% of employees.
- About half of the self-employed with health or dental coverage acquired it through the employer-sponsored plan of a spouse or close relative; another quarter through direct purchase, using their own financial resources.
- Approximately 4 in 10 self-employed workers had no coverage in any plan in 2000.
- Lack of money was cited by approximately 40% of the self-employed as the major reason for non-coverage in each type of insurance. Coverage in all plans was much higher for those with high earnings ($60,000 or more).

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Benefits of the job

Katherine Marshall

Prior to World War I, most employees were paid no more than a straight-time hourly wage. The economic consequences of sickness, accident, or job loss were almost entirely the responsibility of the individual worker (Bauman 1970). Since the 1920s, however, significant economic, social and demographic trends have spurred the creation of many legislated and discretionary non-wage benefits. For example, the economic hardship of the Great Depression helped bring about a mandatory national unemployment insurance program. Inflation and high labour demand during the Second World War prompted employers to offer 'non-inflationary' compensation such as paid vacations, insurance and pensions (Stelluto and Klein 1990). At the same time, a strong and growing labour union movement helped improve wages and benefits for its members.

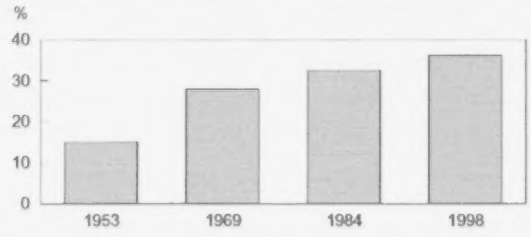
As non-wage compensation has evolved, employers have needed to remain competitive, enticing and retaining skilled employees with not only wages, but non-wage benefits as well. Are workers who receive non-wage benefits also likely to receive high monetary remuneration? That is, does inequality of benefits parallel inequality of earnings—reinforcing the notion of 'good' and 'bad' jobs?

Some non-wage benefits are mandatory, others discretionary. Employers are legally obligated to contribute to Employment Insurance, Canada and Quebec Pension Plans, and workers' compensation—collectively referred to as payroll taxes (Lin 2000).[1] Many employers also offer discretionary non-wage benefits, which vary in cost. These include paid vacation; sick and other leave; employer-sponsored medical, dental, life and disability insurance; retirement pension or savings plans; profit-sharing and stock-ownership plans; wellness and employee assistance programs; and other ad hoc benefits. Overall, non-wage benefits costs have risen over the past half century and now account for over one-third of total labour costs (Chart A).

More recent trends in non-wage benefits have emerged partly because of demographic changes in the labour force. One significant change has been the increase in dual-earner families, a factor that has led to the creation of an array of benefits catering to the needs of workers and their families. These benefits include on-site or similar child care, leave for care of children or parents, on-site fitness centres, and employee-assistance programs (see *Family-friendly practices*).

Wage and non-wage compensation are often used as indicators of job quality. However, other non-monetary job benefits can add to the quality of work, including workplace safety and cleanliness, job security,[2] type of work performed, and schedule flexibility. These benefits cannot be assessed financially, and rating quality is difficult since scoring is subjective.

Chart A: Employee non-wage benefits* now account for over one-third of total labour costs.



Source: KPMG LLP, Survey of Employee Benefits Costs in Canada

* *Includes mandatory employer contributions (EI, CIQPP, workers' compensation) as well as retirement plans; medical, disability, and life insurance; pay for time not worked; and severance pay. Other less common discretionary benefits such as on-site child care or fitness centres are excluded.*

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Family-friendly practices

The steady rise in the number of dual-earner and lone-parent families, as well as families with aging parents, has created a need for employers to help workers balance and manage their work and family lives. Thus, there has been an increase in programs offering child care and elder care support. Non-work stress from family and other responsibilities has also led to the development of programs that help to keep workers mentally and physically healthy—such as counselling services through employee assistance, or exercise classes at on-site fitness centres. Although employers are often looking for ways to cut costs, adding family-friendly support programs can be cost-effective since they have the potential to increase worker morale and productivity as well as to reduce absenteeism caused by family and personal problems.

Findings from the Workplace and Employee Survey (WES) show that in 1999 almost one-third of employees were offered some type of personal or family support program or service (Table). The two most common were employee assistance (28%) and fitness and recreation (14%). Of employees offered these benefits, 9% used employee assistance at least once in the past year, and 37% used a fitness-related program. The high fitness participation rate means some 570,000 workers exercise through work, suggesting an emerging trend of taking not only a briefcase to work, but a gym bag as well. Only 6% of employees were offered on-site child care or assistance with external suppliers, and 4% were offered elder care. Unlike job-related, non-wage benefits such as employer-sponsored insurances and pension plans, where coverage differences are greater between women and men, employer-sponsored personal and family support programs are more evenly dispersed. The key factor is that family-friendly programs occur at the level of the workplace. Therefore, benefits such as a fitness centre are more likely to be offered to all levels of wage earners and to all occupational groups, including part-time and full-time workers alike. That said, a slightly higher percentage of men were offered at least one support program at work (33% versus 29%), implying differences in the mix of employees at workplaces that offer these programs.

Employees by availability of personal and family support programs

	Both sexes		Men	Women
	'000		%	
Total	**10,778**	**100**	**100**	**100**
Offered at least one program	3,374	31	33	29
On-site child care or related	653	6	6	6
Used program*	37	6	6	5
Employee assistance (counselling)	2,996	28	30	26
Used program*	268	9	9	9
Elder care	383	4	3	4
Used program*	33	9	F	F
Fitness and recreation	1,548	14	16	13
Used program*	567	37	39	34
Other, unspecified	310	3	3	3
Used program*	124	40	40	40

Source: Workplace and Employee Survey, 1999
* *Refers to use at any time in the past year.*

Non-wage benefit compensation may now be commonplace, but is it common to *all* employees? Using the 2000 Survey of Labour and Income Dynamics (SLID), and other information on job quality, this paper examines employee non-wage benefit coverage rates by a number of personal and job characteristics (see *Data sources and definitions*).

Six in 10 have at least extended medical

Data on employer-sponsored extended medical, dental, and life/disability insurance show a dichotomy between employees with all three types of insurance (50%) and those with none (38%) (Table 1). For the few (4%) with only one, most had access to extended medical (2%). Another 9% had two, and again the majority (8%) had extended medical. Clearly, insurance benefits appear to come as a package deal. Similarly, almost 4 in 10 self-employed workers had no coverage under any of these insurance plans (Akyeampong and Sussman 2003).

Employer-sponsored retirement plans come in three types: registered pension plans (RPPs), group registered retirement savings plans (group RRSPs), and deferred profit-sharing plans (DPSPs) (see *Data sources and definitions*). All are designed to replace some level of employment income upon retirement. RPPs, also known as private pensions, have existed for decades and are by far the most popular plan type. Annual RPP membership is measured by the Pension Plans in Canada Survey. In 1999, 5.3 million members (41% of all employees) belonged to 15,557 plans. Similarly, SLID found that 43% of employees in 1999 and 46% in 2000 reported being covered by an RPP (Table 1).[3] SLID also revealed that only 2% of employees

Table 1. Employer-sponsored non-wage benefits

	'000
Employees	**13,721**
	%
Insurance	
No coverage	38
One	4
Extended medical only	2
Dental only	1
Life/disability only	1
Two	9
Medical and dental	4
Medical and life/disability	4
Dental and life/disability	1
All three	50
Retirement plans	
No pension plan	52
Registered pension (RPP)	46
Group registered retirement savings plan (Group RRSP)	2
Other	
Stock-purchase plan	9
Profit-sharing plan	8
Low-interest loans	5
Other benefits	10

Source: Survey of Labour and Income Dynamics, 2000

reported having an employer-sponsored group RRSP to which the employer contributed. And 63% of those with a group RRSP worked in a small- or medium-sized firm (fewer than 100 employees), compared with only 45% of RPP members.

Another 9% of employees had the opportunity to participate in a stock-purchase or stock-option plan. This relatively new non-wage benefit grants employees the right to buy company stock at a specified price for a specified period of time. The rules and regulations of these plans can vary widely (Luffman 2003).

About 1 in 12 employees also had the chance to participate in a profit-sharing plan, which in addition to earnings provides financial compensation based on the employer's annual profit. Payment and taxation may be immediate, or deferred and held in trust funds (see *Data sources and definitions*).

Finally, a small percentage of employees (5%) had access to low-interest loans, and 10% said their employer offered them at least one other important non-wage benefit (not specified). Given that some non-wage benefits are more prevalent than others, the remainder of this article examines coverage rates of employees with all three insurances, and those covered by RPPs, stock options and profit-sharing plans.

Full-time, permanent and unionized workers have benefit advantage

A number of job characteristics are linked with the incidence of having access to non-wage benefits. For example, roughly 1 in 6 employees working a non-standard work arrangement—part-time or temporary—had all three insurances or RPP coverage, compared with more than half of all full-time and permanent workers (Table 2). These findings support the view that increased competition may lead some employers to purposely use peripheral workers in order to reduce labour costs (Schellenberg 1997).

Also, working in a unionized job not only boosts wages and job security, but also improves access to the more common non-wage benefits of insurance and pension coverage (Fang and Verma 2002). This is partly the result of successful collective bargaining. For example, 79% of unionized employees had an RPP, compared with 30% of the non-unionized. However, the story differs for access to stock options and profit-sharing plans, which was roughly the same for unionized and non-unionized employees alike. Other studies have suggested that 'ownership' benefits have been used by employers to avoid unionization. Similarly, unions themselves have been wary of these types of non-wage benefits, believing that they may be offered in lieu of wage hikes (Coates 1991).

Stock-option and profit-sharing plans were also found predominantly in the private sector, with only 2% of public-sector employers (which include crown corporations) offered this type of non-wage benefit. Stock-option plans in particular are concentrated in the high-tech industry (Luffman 2003); 18% of workers in the finance, professional and managerial services industry had access to this benefit, as did 22% of workers in natural and applied science jobs (data not shown). Although both the public and private sector had equivalent rates of job permanency, public servants were much more likely to be covered by insurance (67% versus 45%) and RPPs (79% versus 38%).

Working for a large company also increased the likelihood of receiving non-wage benefits—71% of those employed in a firm with 100 or more had an RPP, compared with only 21% of those working for a small firm (fewer than 20 employees). Higher unionization rates among larger firms and relatively lower non-wage administration costs (due to economies of scale) are two possible reasons behind these differences (Akyeampong 2002).

The greater the number of years employed in the current job (tenure), the higher the rate of access to all non-wage benefits. Longer-term employees also had higher rates of job permanency and greater earnings.

For the one million workers in the accommodation and food services industry, median hourly earnings were the lowest ($7.60), as were non-wage benefit coverage rates—13% for insurance and 10% for RPPs. In contrast, public administration had an insurance coverage rate of 69%, a RPP rate of 82%, and a median hourly earnings rate of $20.20. Other industries with insurance and pension plan coverage rates at least 10 percentage points below the average were wholesale and retail trade, construction, and primary (agriculture, forestry, fishing and mining).

Younger, less educated have fewer perks

Generally, employees were considerably less likely to have access to non-wage benefits if they were young or single, or had a high school education or less. For example, only 17% of workers aged 16 to 24 were covered by all three insurances (medical, dental, life/disability), compared with 48% or higher for those in all older age groups (Table 3).[4] Furthermore, on average, younger workers had considerably less job security than those 25 and over (62% held permanent jobs versus at least 82%) and lower median earnings ($8.30 per hour versus $15.40 or more). Not unexpectedly, the higher the education level and the more the work experience, the greater the benefit coverage rate. For example, only one-third of those with less than high school education had access to retirement and insurance plans, compared with two-thirds of university graduates. Furthermore, those with the highest level of education earned more than twice as much as those with the lowest level ($23.00 versus $10.50).

Table 2: Job characteristics of employees by wages, job permanency and selected non-wage benefits

	Total	Median hourly wage	Permanent job	Non-wage benefits			
				Insurance*	Retirement	Stock options	Profit sharing
	'000	$			%		
Total	**13,721**	**15.00**	**83**	**50**	**46**	**9**	**8**
Work status							
Full-time	10,864	16.20	87	58	52	11	9
Part-time	2,318	9.00	66	17	22	3	3
Job security							
Permanent	11,325	16.00	100	57	52	11	9
Temporary	2,277	10.30	...	14	19	2	2
Union status							
Unionized**	4,352	19.00	87	70	79	8	6
Non-unionized	9,049	13.00	81	40	30	10	9
Sector							
Private	10,950	13.70	83	45	38	11	9
Public	2,771	20.00	81	67	79	2	2
Size of company							
Under 20	4,541	11.80	78	27	21	4	4
20 to 99	4,027	15.00	85	52	46	8	7
100 or more	4,792	18.80	87	71	71	17	12
Job tenure (months)							
Less than 12	2,915	10.00	57	22	19	5	4
12 to 47	4,878	13.70	84	45	39	9	7
48 to 119	2,352	16.60	92	58	51	11	10
120 or longer	3,571	20.20	95	73	75	13	10
Industry							
Primary	422	14.20	70	40	34	11	8
Construction	683	17.00	69	38	35	F	4
Manufacturing	2,167	16.50	90	63	56	16	15
Trade	2,102	10.00	84	36	28	9	9
Transportation	597	16.90	88	63	56	14	8
Finance, professional and management services	1,890	15.30	83	55	42	18	13
Education and health	2,324	18.00	82	57	65	F	1
Accommodation and food	975	7.60	78	13	10	F	F
Public administration	811	20.20	81	69	82	F	F
Other	1,280	14.40	78	43	41	13	7
Hourly earnings							
Less than $10.00	3,332	7.50	70	13	12	3	3
$10.00 to $19.99	6,246	14.40	84	51	46	8	8
$20.00 or more	4,122	25.40	91	77	74	17	12

Source: Survey of Labour and Income Dynamics, 2000

* *Extended medical, dental and life/disability.*

** *Includes non-union members whose jobs are covered by collective agreements.*

Data sources and definitions

The **Survey of Labour and Income Dynamics** (SLID) is a longitudinal household survey that began in January 1993. Every three years, some 30,000 respondents aged 16 to 69 enter and remain in the survey for six years, completing two detailed questionnaires each year: one on labour market activity and another on income. Beginning in 1999, a number of new questions were added to determine the non-wage benefits of employees.

The **Workplace and Employee Survey** (WES), which began in 1999, is a longitudinal survey of businesses, sampling up to 6,300 workplaces and 24,000 employees within them. All industries are covered except primary and public administration. WES covers a wide range of workplace issues, including employer wage and non-wage benefits. It is currently the only survey to ask about 'family-friendly' practices.

Extended medical insurance refers to employer-sponsored medical insurance or health plans that supplement public health-insurance coverage.

Dental insurance refers to employer-sponsored dental plans offering some level of dental care service. They can be stand-alone plans or comprehensive plans combining dental and extended medical benefits.

Life and/or disability insurance refers to employer-sponsored plans providing financial protection to families in the event of income loss from death or disability.

Employer-sponsored pension plans include registered pension plans (RPPs), group registered retirement savings plans (group RRSPs), and deferred profit-sharing plans (DPSPs). These plans are registered with the Canada Customs and Revenue Agency (CCRA) and must follow standard tax and pension rules. The focus of this article is on RPPs. Although SLID does not differentiate, two main types of RPPs exist—defined-benefit plans and defined-contribution plans. Pension Plans in Canada data from 2000 show that 85% of RPP members belong to a defined-benefit plan (Statistics Canada 2001).

Stock-purchase or stock-option plans refer to the variety of schemes giving an employee the option to buy a certain number of shares in the company. For more information, see Luffman, 2003.

Profit-sharing plans enable an employee to benefit financially from their company's profits. Plans fall into three types: cash distribution profit-sharing plans; employee profit-sharing plans; and deferred profit-sharing plans, which are a type of employer-sponsored pension plan (see above). The first is the most common type of profit-sharing plan; it provides periodic cash payments and does not require registration with the CCRA. The remaining plans provide deferred compensation and taxation and are registered with the CCRA. A fourth type of profit-sharing scheme is a registered profit-sharing pension plan, which is an RPP and operates as such.

The **target population** for this paper includes all persons who did some paid work in 2000. All information regarding non-wage benefit coverage and job characteristics is derived from the respondent's main paid job in 2000. The main job is defined as the one with the most scheduled hours in the year. Respondents were asked only whether their employer offered the non-wage benefit, and not whether they took up the offer. Furthermore, no information is provided as to whether or not the employee had to pay for some of the cost of these benefits.

Although women and men had the same rate of job security, women had a median hourly wage of $4 less per hour than men, and a somewhat smaller proportion had access to each type of non-wage benefit. Finally, not only did lone parents earn less per hour than married individuals ($14.00 versus $17.30), they were also less likely to have access to each type of non-wage benefit, including full insurance (50% versus 58%). For parents with dependent children, access to extended medical and dental plans can be very important. Generally, these findings show that workers with lower rates of non-wage coverage were also more likely to have lower median wages and less job security—confirming that stable, well-paying jobs tend to go hand in hand with extra non-wage compensation. Indeed, job characteristics largely determine non-wage compensation coverage rates, and not everyone (as the demographic data in Table 3 show) works in a 'good' job.

More pay, more benefits

One factor plainly linked with access to non-wage benefits is earnings. Employees who made $20 an hour or more at their job were much more likely than low earners (less than $10 an hour) to have an insurance package (77% versus 13%), an RPP (74% versus 12%), stock options (17% versus 3%), or a profit-sharing plan (12% versus 3%). They were also more likely to have a permanent job (91% versus 70%). As earnings increased, the percentage of employees with access to all types of benefits rose steadily. For example, only 8% of those who earned less than $7 an hour had extended medical, dental, and life/disability insurance, compared with 80% who made $25 or more (Chart B). Furthermore, regression analysis confirmed earnings to be a major factor in determining whether an employee was entitled to full insurance.

Table 3: Personal characteristics of employees by wages, job permanency and selected non-wage benefits

				Non-wage benefits			
	Total	Median hourly wage	Permanent job	Insurance*	Retirement	Stock options	Profit sharing
	'000	$			%		
Total	**13,721**	**15.00**	**83**	**50**	**46**	**9**	**8**
Men	7,105	17.00	83	54	49	11	10
Women	6,616	13.00	82	45	43	8	6
Age							
16 to 24	2,535	8.30	62	17	15	4	4
25 to 34	3,312	15.40	86	54	45	12	9
35 to 44	3,761	17.80	88	59	57	12	9
45 to 54	2,893	18.00	89	60	61	10	8
55 and over	1,219	16.20	82	48	47	6	4
Education							
Less than high school	1,939	10.50	77	32	30	4	4
High school	4,207	12.80	80	45	40	9	8
Postsecondary certificate	4,050	16.00	86	55	51	10	8
University	2,430	23.00	86	64	64	14	9
Work experience (years)**							
Less than 2	1,905	8.00	58	14	15	4	3
2 to 10	2,977	13.70	84	48	41	10	8
11 to 20	2,837	17.50	90	61	56	12	10
21 or more	3,435	19.00	92	65	64	12	9
Family							
Couple	8,099	17.30	88	58	55	11	9
Lone parent	627	14.00	86	50	47	8	7
Single	4,994	11.40	73	35	32	8	6

Source: Survey of Labour and Income Dynamics, 2000
* *Extended medical, dental and life/disability.*
** *Includes all part- and full-time work since first starting work, and converted to full-time, full-year equivalents.*

earned $20 or more per hour were 6.1 times more likely to have full insurance, and 3.9 times more likely to have an RPP than those earning less than $10 an hour.

Permanent employees also had significantly higher odds of having coverage than those in temporary jobs, as did full-time workers compared with part-timers. Also, the odds of coverage increased significantly with firm size, with workers in large firms (100 or more) being 3.5 and 4.1 times more likely to have insurance and pension coverage, respectively, than those in small firms (under 20).

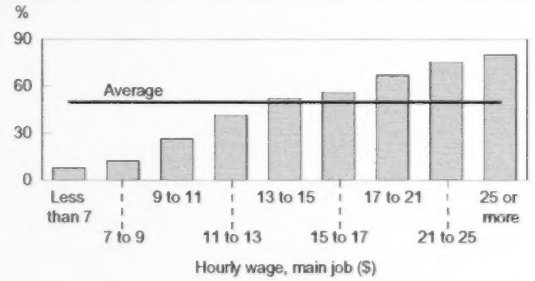
Being in a unionized job was a determinant in insurance and pension coverage as well, whereas industry was not a strong factor. (The only industry to have significantly lower relative odds of receiving both full insurance and pension coverage was accommodation and food services.) The effect of unionization was particularly important in terms of pension coverage, where members were 4.9 times more likely to have access than non-members. A union advantage or differential has been found for all components of wage and non-wage compensation, but the greatest is in

Regression ties insurance and RPP coverage to the job

A logistic regression model was used to single out the factors most affecting access to the two most common benefits: an insurance package (extended medical, dental and life/disability) and a registered pension plan. The models tested the effects of each variable on the probability of receiving either insurance coverage or an RPP, while holding all other variables constant. Most of the variables expected to affect the chances of having insurance coverage did so.[5]

The results show that earnings were highly significant (<.001 level) and had a large effect on the odds of having insurance and pension coverage. Those who

Chart B: Eight in 10 of the highest earners had full insurance* coverage.



Source: Survey of Labour and Income Dynamics, 2000
* *Extended medical, dental and life/disability.*

the category of 'private pension and other benefit plans' (Benjamin, Gunderson and Riddell 1998). Also, further calculations with SLID data show that 89% of unionized public-sector employees and 71% of private-sector unionized employees had an RPP, compared with only 52% of non-unionized public-sector and 29% of non-unionized private-sector employees. Although sector was important, unionization was more so for both insurance and pension coverage.

Finally, time in the current job (tenure) had a greater effect (higher relative odds) for pension than insurance coverage, although both were significant. Since pensions are a form of deferred compensation, employees may be less likely to quit or switch jobs because they would lose their entitlement (Benjamin, Gunderson and Riddell 1998).

Age and sex proved not to be significant factors in benefit access (see *Regression model*). Although the cross-tabulations showed differences in access rates by age groups, the overriding personal aspects proved to be years of work experience and educational attainment. Both these factors contribute to human capital, and it is argued that those who have more invested in their human capital are more likely to have better jobs, and therefore greater benefits and earnings.

The regression results confirm that non-wage benefit coverage rates in terms of RPP or full insurance coverage are linked with the characteristics of the job and with more accomplished employees. That is, coverage rates are positively related with well-paying, 'good' jobs (unionized, full-time, permanent, and found in large establishments) and with employees having higher levels of education and more years of work experience.

Summary

Non-wage benefits originally emerged in response to, and continue to be affected by, social, economic and demographic issues. Today, employers routinely offer compensation packages beyond salaries and wages, and the trend is not likely to be reversed. Overall, in 2000, half of all employees received extended medical, dental, and life/disability insurance in their job; 46% were covered by a registered pension plan; just under 10% were offered a stock-purchase or profit-sharing plan; and in 1999, almost one-third were given access to at least one type of personal or family support program.

Regression model

Explanatory variables *(t)*	Insurance[1]	Pension plan
Personal characteristics	Odds ratios	
Men	1.0	0.9
Women	*1.0*	*1.0*
Age 16 to 24	*1.0*	*1.0*
25 to 34	1.4*	1.2
35 to 44	1.1	1.2
45 to 54	0.9	1.1
55 and over	0.7	0.8
Full-time/full-year experience < 2 years	*1.0*	*1.0*
2 to 10	1.7*	1.4*
11 to 20	1.9*	1.3
21 or more	2.0*	1.5*
Less than high school	*1.0*	*1.0*
High school	1.4*	1.3*
Postsecondary certificate	1.4*	1.5*
University	1.4*	1.8*
Job characteristics		
Full-time	3.1*	2.2*
Part-time	*1.0*	*1.0*
Permanent	4.4*	3.5*
Temporary	*1.0*	*1.0*
Unionized**	1.8*	4.9*
Non-unionized	*1.0*	*1.0*
Public	1.4*	2.2*
Private	*1.0*	*1.0*
Under 20 employees	*1.0*	*1.0*
20 to 99	2.4*	2.1*
100 or more	3.5*	4.1*
Tenure < 12 months	*1.0*	*1.0*
12 to 47	1.3*	1.5*
48 to 119	1.6*	2.0*
120 or longer	2.2*	3.4*
Primary industry	1.3	0.8
Construction	0.8	0.5*
Manufacturing	1.3	0.8
Trade	1.5	0.8
Transportation	2.0*	0.9
Finance, professional and management services	2.1*	0.9
Education and health	0.9	0.6*
Accommodation and food services	0.6*	0.4*
Public administration	*1.0*	*1.0*
Other	1.2	0.7
Wage rate <$10.00	*1.0*	*1.0*
$10.00 to $19.99	2.9*	2.0*
$20.00 or more	6.1*	3.9*

Source: Survey of Labour and Income Dynamics, 2000

Note: A multicollinearity diagnostic test of the models indicated that age and number of years of full-time, full-year work experience were correlated. When work experience is excluded from the model, age becomes significant; however, when both variables are included, only work experience is significant.

t Italic rows represent reference categories.

1 Extended medical, dental, life/disability.

* *Difference with the reference category significant at the .<001 level or less.*

** *Includes non-union members whose jobs are covered by collective agreements.*

Non-wage benefits are often used by companies to attract and retain good employees, and thereby remain competitive. The results here suggest that employers are striving to retain employees with wage and non-wage benefits combined—that is, high-paying jobs come with full benefits. Employees with good jobs (high-waged, unionized, full-time, and permanent) or in large firms, were much more likely to have access to all types of non-wage benefits than those without these job characteristics. Not surprisingly, workers with higher education levels and more work experience were more likely to be in these high-wage/high-benefit jobs. Conversely, certain groups of employees—for example, those with less than high school education and those in part-time, temporary or non-unionized jobs—are doubly disadvantaged with less access to non-wage benefits and lower hourly wages. Quite simply: the better the job, the better the benefit package.

Notes

1 The cost of payroll taxes to employers rose from 5% in 1961 to 11% in 2000.

2 Persons are said to have job security if they are in a permanent job. It is assumed that a permanent job is generally more secure than a temporary one, but job permanency does not necessarily prevent layoff.

3 Current group RRSP and DPSP memberships are not known from any source other than SLID. However, past research estimated group RRSP membership (with and without employer contributions) to be more than 700,000 in 1995, and it suggested that the numbers were growing. DPSPs were found to be 'less significant' than group RRSPs, in terms of both number of plans and membership (Frenken 1996).

4 Almost one in five of the paid workers in this study were students for some time in 2000, either full- or part-time. Some 63% of these employed students were under 25 and hence may not have been too interested in non-wage benefits, such as a company pension plan, and may even have sought short-term, non-permanent work. For them, lower-paying, non-benefit jobs may not be seen as a hardship. However, these distinctions cannot be made with the data, and so all persons with jobs, regardless of student status, were included.

5 Similar results were found in an analysis of health and dental insurance coverage using the 1995 Survey of Work Arrangements. For more information, see Reesor and Lipsett, 1998.

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Health-related insurance for the self-employed

Ernest B. Akyeampong and Deborah Sussman

One interesting development in the labour market in the 1990s was the rapid growth of self-employment relative to paid employment. According to the Labour Force Survey, between 1990 and 1997, self-employment accounted for almost 75% of total net job growth. Although the pace of growth slowed thereafter, self-employment constituted 16% of total employment in 2000, up from 14% in 1990. An overwhelming majority of the newly self-employed were entrepreneurs working on their own without any paid help—often referred to as the own-account self-employed (Lin, Yates and Picot 1999).

Many factors drive people to become self-employed (Statistics Canada 1998). On the one hand, people may feel forced into this arrangement because no other work is available—the push theory. On the other hand, they may be attracted by features self-employment can offer—the pull theory—for example, the independence of being one's own boss or the ability to work flexible hours or from home. Whatever the motivation, self-employment carries some risks—lack of income security is often cited as a major one. The Survey of Self-employment (SSE) shows that the risk of having few or no non-wage benefits is also very real (see *Data sources and definitions*). Indeed, approximately 7% of the self-employed cited this drawback as the most disliked aspect of their situation (Delage 2002).

Unlike employees, many of whom are covered by employer-sponsored extended health, dental, or disability insurance plans (Akyeampong 2002), the self-employed can only acquire such coverage through three main avenues: direct purchase (often at considerable cost), using their own financial resources; piggybacking on a spouse's or other close family member's plan; or other means such as membership in an association, a second paid job, or a franchising arrangement. These sources are also open to employees not covered by employer-sponsored plans. The Survey of Labour and Income Dynamics shows that in the year 2000, approximately 50% of employees had coverage in all three plans through employer-sponsored programs alone (Marshall 2003b)—almost three times the proportion (17%) of self-employed with similar coverage through one or more of the three sources listed above.[1]

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Data sources and definitions

The **Survey of Self-employment** (SSE) was sponsored by Human Resources Development Canada and conducted as a supplement to Statistics Canada's monthly Labour Force Survey during April 2000. The SSE covered workers 15 to 69 years of age who were self-employed in their main job during the reference week. Full-time students and those who, on average, worked less than 11 hours per week were excluded.

The **self-employed** are divided into two groups. The first, consisting of working owners of incorporated businesses, farms or professional practices, accounted for 38.1% of the weighted population. The second group, constituting 61.9%, was made up of working owners of unincorporated businesses, farms, professional practices, and other self-employed who did not have a business (for example, individuals selling goods directly to customers from their home), nannies, housecleaners, tutors, translators, and consultants without an office. Unpaid family workers were not part of the survey's target population. While the designation of self-employment was based on the main job, some workers also had a second paid job.

Extended health insurance covers services excluded under publicly funded provincial health plans.

Dental insurance covers some portion of dental services, usually with annual and longer-term maximums.

Disability insurance provides financial protection in the event the insured person is prevented from economic activity because of injury or disability.

Business income for an unincorporated business is net income before taxes and deductions. (In the case of partnership, only the respondent's share is taken into account.) In the case of an incorporated business or professional practice, business income is defined as gross personal income before taxes and deductions.

Non-coverage in any or all of these health-related insurance plans can jeopardize the financial security of any worker and their dependants, but for the self-employed the damage can be more serious. For example, while many uninsured employees qualify for Employment Insurance (EI) sickness and maternity benefits, the self-employed do not. In 2000, employees entitled to EI maternity benefits took longer to return to work following childbirth (six months on average) than their self-employed counterparts (one month on average) (Marshall 2003a). Similarly, while a sick or disabled employee could lose some or all of their employment income, their self-employed counterpart could lose not only income but the business as well.[2] Indeed, 22% of the self-employed cited uncertainty and insecurity as the most disliked aspect of self-employment, and another 12% cited income fluctuations and cash flow problems.[3]

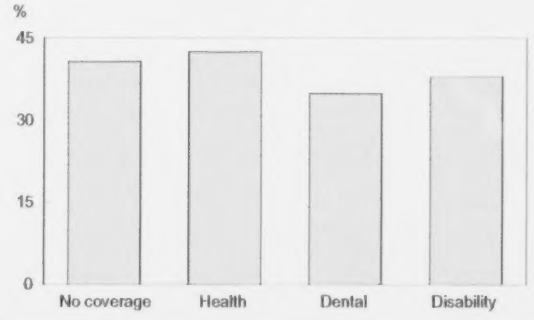
Using the SSE, this article expands on an earlier study on coverage rates and sources among the self-employed with respect to extended health, dental, and disability insurance plans (Delage 2002). It also examines reasons for non-coverage. Particular attention is paid to those with full coverage (all three plans) and those without coverage in any plan.

Four in 10 had no insurance coverage whatsoever; 1 in 6 had full coverage

In 2000, a sizeable proportion (41%, or 844,000 of the nearly 2.1 million self-employed Canadians) had no coverage in any of the three health-related insurance plans (Chart A). About 42% had coverage in an extended health insurance plan. Rates for the remaining two plans were lower: 38% for disability and 35% for dental.[4] Only 17% (348,000) had coverage in all three plans (Chart B). An additional 22% (460,000) were covered by two plans, and the remaining 21% (427,000) by only one plan.

Those with coverage in only one plan most commonly purchased disability—slightly more than two-thirds (294,000) (Chart B). The reasons are not surprising. Of the three plans, disability is perhaps the one for which non-coverage carries the heaviest financial consequences, especially if the disability is long-lasting or permanent. Also, Canada has a fairly comprehensive medicare program, and dental care programs are probably relatively less used. These factors contribute to making disability coverage a more attractive choice when affordability is an issue.

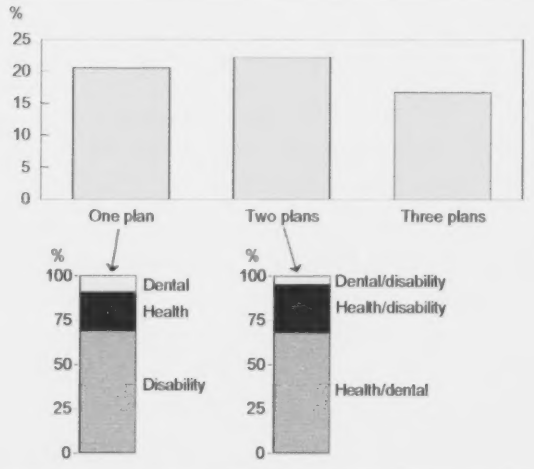
Chart A: Four in 10 self-employed had no insurance coverage whatsoever.



Source: Survey of Self-employment, 2000

For those with coverage in two plans, the most popular combination was health and dental (about 315,000 self-employed workers), with many benefiting through extended spousal or family coverage.

Chart B: Only 1 in 6 of the self-employed had full insurance coverage.



Source: Survey of Self-employment, 2000

Spousal membership in plan most important coverage source

In the SSE, the self-employed were asked about sources of coverage for health and dental plans, but not disability plans. Health and dental plans, unlike disability plans, can often extend coverage to the self-employed through the plan of a spouse or close relative. The usual way for the self-employed to acquire disability coverage is through direct purchase or membership in an association.

For the insured self-employed, coverage source patterns for health and dental plans did not differ greatly. For both types of plans, the most common source was coverage through the plan of a spouse or close relative—about 44% in extended health plans and 53% in dental plans (Table 1). Direct purchase through own resources was the second major source. More than one-quarter of the insured self-employed (27%) purchased coverage for health and one-fifth (21%) for dental. Purchasing a plan through an association membership (for example, university alumni) was cited as the third major source—about 1 in 6 (16%) for health plans and 1 in 7 (14%) for dental plans. For both plans, another 1 in 20 (5%) obtained coverage through a second paid job. Only a handful obtained coverage through franchising arrangements (such as holding a McDonald's franchise).

Table 1: Insurance coverage of the self-employed

	Health	Dental	Disability
		'000	
Self-employed	**2,078**	**2,078**	**2,078**
Covered	**881**	**722**	**787**
		%	
Spousal or family plan	44.2	52.6	...
Direct purchase	26.8	21.1	...
Association membership	15.7	14.0	...
Paid job	5.3	4.8	...
Franchise arrangement	F	F	...
Other	6.3	6.1	...
		'000	
Not covered	**1,196**	**1,353**	**1,285**
		%	
Cannot afford	40.6	40.6	39.5
Not good value	23.1	25.0	17.2
Not thought about it	20.6	19.9	22.2
Keep putting off	7.0	5.7	9.6
Do not qualify	...	...	3.7
Other	3.7	4.1	2.9
No need	4.9	4.8	5.1

Source: Survey of Self-employment, 2000

Lack of money major reason for non-coverage

Approximately 1.2 million (58%) self-employed reported having no extended health insurance coverage in 2000. The levels were slightly higher for dental care (1.4 million or 65%) and for disability (1.3 million or 62%).

As with coverage sources, the ranking of reasons for non-coverage was fairly similar for the three insurance plans. The most common was affordability, cited for each plan by approximately 40% of the non-insured self-employed (Table 1). Second was the belief that the coverage premium did not command good value. About one-quarter cited this reason for health and dental, with a slightly lower proportion (17%) for disability. The lower percentage for disability is in line with the hypothesis that non-coverage in disability insurance potentially carries the most serious financial consequences. Approximately one-fifth of the non-insured in each plan had 'not thought about it.' The remaining 15% to 20% had either kept putting off a purchase, been disqualified (disability plans only), or believed that they simply did not need coverage.

Business income goes hand in hand with full coverage

As would be expected, business income appears to be a major determinant of full coverage—that is, the odds of full coverage increased with income. In 2000, the self-employed with income of $60,000 or more were almost 5 times as likely as those with less than $20,000 to have coverage in all three plans (36% versus 8%) (Table 2). A reverse picture was painted for nil coverage; only 24% of the highest income self-employed workers had no coverage, about half the rate (48%) for the lowest income group. Indeed, of the various socio-demographic groups analyzed, the group earning business income of $60,000 or more was the only one for whom the full coverage rate exceeded the nil coverage rate. For all the other groups, the proportion with full coverage was much lower.

Full coverage was also more common among the married self-employed. About 19% had full coverage, almost twice the rate among their unmarried counterparts (9%). The married group owed their advantage in part to spousal coverage being extendable to

Table 2: Full and nil coverage of the self-employed by selected characteristics

	Full coverage		Nil coverage	
	'000	%	'000	%
Both sexes	**348**	**16.7**	**844**	**40.6**
Men	262	18.5	539	38.2
Women	86	12.9	304	45.6
15 to 24	F	F	26	53.8
25 to 34	49	13.9	152	42.8
35 to 44	114	17.0	273	40.6
45 to 54	128	20.5	247	39.6
55 and over	52	13.7	145	38.4
Less than high school	42	11.6	172	47.1
High school	51	12.8	163	40.5
Some or complete postsecondary	126	15.3	355	42.9
University	127	26.4	153	31.7
Married	308	18.5	611	36.8
Not married	56	9.4	332	56.1
Economic family				
1 person	27	10.8	139	55.6
2 persons	99	16.1	240	39.0
3 persons	65	17.1	148	38.9
4 persons	86	17.2	202	40.4
5 persons or more	71	21.2	115	34.7
Business income				
Less than $20,000	36	7.9	222	47.9
$20,000 – $39,999	66	11.3	250	42.9
$40,000 – $59,999	72	25.0	91	31.6
$60,000 or more	131	36.2	88	24.3
Time self-employed				
Less than 2 years	51	13.4	188	49.3
2 to 4 years	64	15.2	180	42.5
5 to 9 years	67	15.3	183	41.8
10 to 19 years	101	21.0	165	34.5
20 years or more	64	18.5	121	35.3

Source: Survey of Self-employment, 2000

partners. The full coverage rate for men (19%) also exceeded that for women (13%), partly because of the generally higher incomes of men. Additionally, the full coverage rate tended to rise as economic family size increased, doubling from 11% among one-person families to 21% among families of five or more. This is not surprising since having children may heighten the perceived need for insurance.

The full coverage rate tended to rise with education, age (up to 54), and job tenure (up to 19 years). All these factors have a strong positive relationship with income, adding further credence to the earlier finding that affordability is a major determinant of full coverage. The likelihood of nil coverage generally declined with education, age and job tenure.

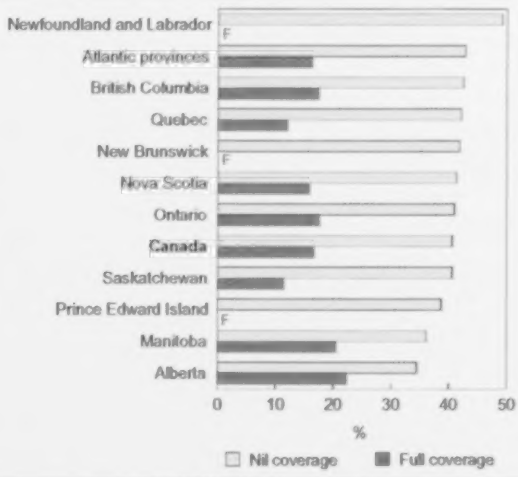
Full coverage rate highest in Alberta, lowest in Saskatchewan

Coverage rates differed by province, partly because of the different services covered by provincial health-care plans (Chart C).[5] For example, while Quebec residents are covered by a prescription drug plan, this is not the case in many other provinces. Differences in the industry mix among provinces may also have played a role. The self-employed in Alberta and Manitoba registered the highest full coverage rates (22% and 21% respectively); those in Saskatchewan and Quebec (12%) recorded the lowest (Chart C). In contrast, the nil coverage rate was highest in Newfoundland and Labrador (49%), and lowest in Alberta (34%).

Full coverage highest in professional services, nil coverage highest in accommodation and food services

Coverage rates also differed by industry and occupation.[6] Among the major industries, professional, scientific and technical services (26%), and finance, insurance and real estate (23%) had the highest full coverage rates

Chart C: Nil coverage was highest in Newfoundland and Labrador and lowest in Alberta.



Source: Survey of Self-employment, 2000

(Table 3). Many of the self-employed in these two industries purchased their plans through membership in a professional association. Also, because multiple jobholding is prevalent among workers in these industries, some acquired coverage through their second, paid job. In contrast, agriculture and other primary (9%) had the lowest full coverage rates.

Accommodation and food services (68%) had the highest nil coverage rate, perhaps partly because of affordability problems among these workers. Manufacturing (29%), and health care and social assistance had the lowest rates (27%).

Table 3: Full and nil coverage of the self-employed by industry

	Full coverage		Nil coverage	
	'000	%	'000	%
Industry				
Agriculture and other primary	21	9.5	86	38.6
Construction	51	19.4	109	41.0
Manufacturing	F	F	27	29.4
Trade	47	16.1	107	37.1
Transport and warehousing	24	18.9	48	38.3
Finance, insurance and real estate	25	23.0	40	37.8
Professional, scientific and technical	81	25.7	113	35.8
Management, administrative and other support	F	F	74	58.1
Educational services	F	F	F	F
Health care and social assistance	32	18.8	46	26.5
Information, culture and recreation	F	F	29	50.2
Accommodation and food services	F	F	56	68.2
Other services	18	9.7	91	49.3
Public administration	...	...	...	...
Utilities	...	...	...	...

Source: Survey of Self-employment, 2000

Conclusion

Compared with employees, the self-employed are less likely to be covered by extended health, dental and disability insurance plans. Since the self-employed are not entitled to EI sickness or maternity benefits, they are also more likely to feel greater financial pain should they be prevented from working for these reasons. A large proportion of the self-employed acquire coverage in health and dental plans through the employer-sponsored plan of a spouse or close relative. For those not so lucky, direct purchase appears to be the most feasible option. While this is not normally a problem for the high-income self-employed, those less well off (usually the young and less educated) very often go without any health-related insurance coverage whatsoever.

Perspectives

Notes

1 In effect, the 17% full coverage rate represents the maximum possible for the self-employed, and the 50% rate understates the maximum possible for employees, since the three major coverage avenues open to the self-employed are available to employees as well.

2 The self-employed also tend to participate less in RRSPs. For example, in 1996, 35% of the self-employed purchased an RRSP compared with 43% of employees (Akyeampong 1999).

3 Despite this, more than half (55%) of the SSE respondents expressed no interest in subscribing to an income insurance program like EI (Delage 2002).

4 As expected, coverage rates were lower for the own-account self-employed (those without paid help) than for employers (those with paid help) since the latter often took advantage of economies of scale to purchase plan subscriptions. For example, about 3 in 10 of the own-account had dental plan coverage compared with 4 in 10 for employers (Delage 2002). The own-account constituted 54% of the total self-employed population; the remaining 46% were employers.

5 For more detailed information on provincial health plans, see "Health care services—recent trends." *Health Reports* (Statistics Canada, Catalogue no. 88-003-XPB) 11, no. 3, Winter 1999.

6 The coverage rates by occupation highly mimicked those by industry and hence are not repeated in this study. Another reason for omitting the occupational data is that meaningful comparisons could not be made since a very high concentration (65%) of self-employed were in managerial and service occupations while the rest were scattered in the other occupations.

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Work absences

THERE ARE MANY KINDS OF ABSENCE. Some, like annual vacations, are generally considered to be economically healthy for both the organization and the employee. Also, they are usually scheduled so that their effect upon the organization can be more easily absorbed; the same can be said of statutory holidays. Other absences, such as those caused by illness and family-related demands, are generally unavoidable and often unscheduled. Some, like those due to inclement weather, are uncontrollable.

'Absenteeism'—used generally to refer to absences that are avoidable, habitual and often unscheduled—is a source of irritation to employers and co-workers. Unscheduled absences are disruptive to proper work scheduling and output, and costly to an organization and the economy as a whole. Invariably, they are work absences for personal reasons (namely, illness or disability, and personal or family responsibilities).

Although absenteeism is widely acknowledged to be a problem, it is not easy to quantify. The dividing line between avoidable and unavoidable absences is difficult to draw, and absenteeism generally masquerades as legitimate absence. A data source such as the Labour Force Survey (LFS) can provide measures of time lost due to illness or disability and personal or family responsibilities, but within these categories, it cannot distinguish between avoidable and unavoidable, scheduled and unscheduled absences. LFS data on all absences for these personal reasons can, however, be analyzed to identify patterns or trends that indicate the effect of absenteeism (see *Data source and definitions*).

Table 1: Demographic differences

In 2002, excluding women on maternity leave, an estimated 7.6% (771,200) of full-time employees missed some work each week for personal reasons: 5.5% for own illness or disability, and 2.1% for personal or family responsibilities. As a result of these absences, full-time employees lost about 3.6% of their work time each week.

On average, each full-time employee lost 9.0 days over the year for personal reasons (about 7.3 for own illness or disability, and 1.7 for personal or family demands). In total, full-time employees missed an estimated 92 million workdays for personal reasons in 2002.

On average, men working full time lost fewer days (7.9 or 6.4 for illness plus 1.6 for personal/family demands) than female full-time employees (10.4 or 8.6 plus 1.9).

The presence of preschool-aged children tends to exert a strong influence on work absences for personal or family responsibilities, especially for women. In such families, women employed full time lost an average of 5.1 days in 2002; men, 3.9 days.

Workdays missed due to illness or disabilty tended to rise with age, from an average of 5.0 days for youth (15 to 19 years) to 10.7 for full-time employees aged 55 to 64.

Table 2: Industry and sector

Work absence rates differ by sector (public or private) and industry. Contributing factors include the nature and demands of the job, the male/female composition of the workforce, and the union density—the last being a strong determinant of the presence or lack of paid sick/family leave entitlements.

Full-time employees in the public sector lost more work time in 2002 (about 11.7 days on average) for personal reasons than their private-sector counterparts (8.2 days).

At the major industry level, the most workdays missed were by employees in health care and social assistance (13.4 days), and in public administration (11.0).

The lowest averages were recorded by full-time workers in the professional, scientific and technical industry (6.0 days), and in trade (7.2).

Table 3: Occupation

Contributing factors by occupational absence rates are similar to those listed for industry. Again, as by industry, differences arose mainly from time lost due to illness or disability.

Full-time employees in health occupations (14.5), in occupations unique to production (11.0), and in trades, transport and equipment operator positions (10.1), recorded the most days lost in 2002.

Workers in managerial jobs (5.7), in natural and applied sciences (6.1), and in positions in culture and recreation (7.5) recorded the fewest days lost.

Table 4: Union coverage, job status, workplace size and job tenure

Full-time workers who belonged to unions or were covered by collective agreements missed almost twice as many workdays on average in 2002 for personal reasons as their non-unionized counterparts (12.7 versus 7.1).

Workers who considered their jobs to be permanent (and more likely to be unionized) lost on average more workdays (9.1) than those who said their jobs were not permanent (7.8).

Days lost tended to rise with firm size, increasing from a low of 7.6 in firms with fewer than 20 employees (firms more likely to have low union rates) to around 10.0 in firms with 100 or more (firms likely to have high union rates).

Days lost tended to rise with job tenure, with almost all the differences arising from sickness and disability. They rose from an average of 6.8 days among persons with tenure of up to one year to 10.8 among those with nine or more years (the latter group likely being older).

Table 5: Province and CMA

Work absence levels differed by geographic area, with most of the variation again arising from illness or disability.

Full-time employees in Nova Scotia and Saskatchewan lost on average most work time in 2002 (10.3 and 10.2 days). Those in Newfoundland and Labrador, Ontario, and Alberta (8.3) lost the least time.

Among the census metropolitan areas, workers in Thunder Bay, Regina, Gatineau, Trois-Rivières, Victoria, Windsor and Winnipeg lost the most workdays (an average of more than 10 days per full-time worker). Those in Hamilton (7.3), London (7.4), Calgary (7.7), and Kitchener-Waterloo (7.8) lost the least time.

Data source and definitions

The data in this article are annual averages from the **Labour Force Survey** (LFS). They refer to full-time employees holding only one job. Part-time, self-employed and unpaid family workers are excluded because they generally have more opportunity to arrange their work schedules around personal or family responsibilities. Multiple jobholders, too, are excluded because it is not possible using LFS data to allocate time lost, or the reason for it, to specific jobs. Women on maternity leave are also excluded. Some human resource practitioners exclude persons on long-term illness or disability leave (exceeding one year) from their attendance management statistics. Such persons are, however, included in Statistics Canada's work absence estimates if they count themselves as employed (that is, they continue to receive partial or full pay from their employer). In 2002, the number of employed persons on such long-term illness or disability leave averaged only 22,000 in a typical week. Their exclusion would have reduced the weekly work absence incidence for illness or disability from 5.5% to 5.3%, the inactivity rate from 2.9% to 2.7%, and days lost per worker that year from 7.3 to 6.8.

Personal reasons for absence are split into two categories: 'own illness or disability' and 'personal or family responsibilities' (caring for own children, caring for elder relative, and other personal or family responsibilities). Absences for these two reasons represented about 28% of all time lost by full-time paid workers each week in 2002. Vacations, which accounted for about 44% of total time away from work, are not counted in this study, nor are statutory holidays, which represented 12%. Maternity leave represented 9% and other reasons, 6%.

The **incidence of absence** is the percentage of full-time paid workers reporting some absence in the reference week. In calculating incidence, the length of work absence—whether an hour, a day, or a full week—is irrelevant.

The **inactivity rate** shows hours lost as a proportion of the usual weekly hours of full-time paid workers. It takes into account both the incidence and length of absence in the reference week.

Days lost per worker are calculated by multiplying the inactivity rate by the estimated number of working days in the year (250).

Reasons for work absences in the LFS

The LFS sets out the following reasons for being away from work:

- own illness or disability
- caring for own children
- caring for elder relative (60 years or older)
- maternity leave (women only)
- other personal or family responsibilities
- vacation
- labour dispute (strike or lockout)
- temporary layoff due to business conditions
- holiday (legal or religious)
- weather
- job started or ended during week
- working short time (because of material shortages, plant maintenance or repair, for instance)
- other

As normally published, personal or family responsibilities consist of caring for own children, caring for elder relative, and other personal or family responsibilities.

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Table 1: Absence rates for full-time paid workers by sex, age, education and presence of children, 2002, excluding maternity leave

	Incidence*			Inactivity**			Days lost per worker in year†		
	Total	Own illness or disability	Personal or family responsibilities	Total	Own illness or disability	Personal or family responsibilities	Total	Own illness or disability	Personal or family responsibilities
	%			%			days		
Age									
Both sexes	**7.6**	**5.5**	**2.1**	**3.6**	**2.9**	**0.7**	**9.0**	**7.3**	**1.7**
15 to 19	6.1	4.7	1.4	2.5	2.0	0.5	6.2	5.0	1.2
20 to 24	7.1	5.4	1.7	2.7	2.2	0.5	6.8	5.5	1.3
25 to 34	7.8	5.3	2.5	3.3	2.4	0.9	8.3	6.1	2.2
35 to 44	7.7	5.4	2.3	3.6	2.9	0.7	9.0	7.3	1.7
45 to 54	7.4	5.6	1.9	3.8	3.3	0.6	9.6	8.1	1.5
55 to 64	7.9	6.3	1.5	4.8	4.3	0.5	12.0	10.7	1.3
65 and over	6.7	4.0	F	3.7	2.6	F	9.3	6.6	F
Men	**6.6**	**4.7**	**1.9**	**3.2**	**2.6**	**0.6**	**7.9**	**6.4**	**1.6**
15 to 19	5.9	4.4	1.5	2.4	1.9	0.5	6.1	4.9	1.2
20 to 24	6.7	5.1	1.7	2.7	2.2	0.5	6.8	5.5	1.3
25 to 34	6.8	4.5	2.3	3.0	2.1	0.8	7.4	5.3	2.1
35 to 44	6.5	4.5	2.0	3.1	2.5	0.6	7.7	6.2	1.5
45 to 54	6.3	4.6	1.7	3.3	2.7	0.5	8.2	6.8	1.3
55 to 64	6.9	5.6	1.3	4.3	3.9	0.4	10.9	9.8	1.1
65 and over	6.9	4.1	F	3.8	2.7	F	9.5	6.7	F
Women	**8.9**	**6.5**	**2.4**	**4.2**	**3.4**	**0.8**	**10.4**	**8.6**	**1.9**
15 to 19	6.5	5.1	F	2.6	2.1	F	6.5	5.4	F
20 to 24	7.7	5.8	1.8	2.7	2.2	0.5	6.8	5.5	1.3
25 to 34	9.2	6.3	2.9	3.8	2.9	0.9	9.5	7.1	2.3
35 to 44	9.3	6.6	2.7	4.3	3.5	0.8	10.8	8.9	2.0
45 to 54	8.9	6.8	2.1	4.6	3.9	0.6	11.4	9.8	1.6
55 to 64	9.3	7.5	1.9	5.6	4.9	0.7	14.0	12.2	1.8
65 and over	F	F	F	F	F	F	F	F	F
Educational attainment									
Both sexes	**7.6**	**5.5**	**2.1**	**3.6**	**2.9**	**0.7**	**9.0**	**7.3**	**1.7**
Less than Grade 9	7.7	6.0	1.7	4.6	4.0	0.6	11.6	10.0	1.6
Some secondary	8.3	6.3	2.0	4.4	3.8	0.6	10.9	9.4	1.5
High school graduate	7.6	5.6	2.0	3.7	3.1	0.7	9.4	7.7	1.6
Some postsecondary	7.8	5.5	2.2	3.5	2.7	0.7	8.6	6.8	1.8
Postsecondary certificate or diploma	7.9	5.7	2.2	3.7	3.1	0.7	9.3	7.7	1.7
University degree	6.6	4.5	2.1	2.7	2.0	0.7	6.7	4.9	1.8
Presence of children									
Both sexes	**7.6**	**5.5**	**2.1**	**3.6**	**2.9**	**0.7**	**9.0**	**7.3**	**1.7**
With children	8.1	5.4	2.7	3.8	2.9	0.9	9.5	7.3	2.3
Preschool-aged (under 5 years)	9.5	5.5	4.1	4.3	2.6	1.7	10.8	6.6	4.3
5 to 12 years	7.8	5.3	2.5	3.5	2.8	0.7	8.7	7.0	1.7
13 years and over	7.3	5.4	1.8	3.8	3.2	0.6	9.4	8.0	1.4
Without children	7.2	5.5	1.6	3.4	2.9	0.5	8.5	7.3	1.2

Source: Labour Force Survey

* *Absent workers divided by total.*

** *Hours absent divided by hours usually worked.*

† *Inactivity rate multiplied by working days in year (250).*

Table 2: Absence rates for full-time paid workers by industry and sector, 2002, excluding maternity leave

	Incidence*			Inactivity**			Days lost per worker in year†		
	Total	Own illness or disability	Personal or family responsibilities	Total	Own illness or disability	Personal or family responsibilities	Total	Own illness or disability	Personal or family responsibilities
		%			%			days	
All industries	**7.6**	**5.5**	**2.1**	**3.6**	**2.9**	**0.7**	**9.0**	**7.3**	**1.7**
Public employees	9.3	7.0	2.3	4.7	3.9	0.8	11.7	9.6	2.1
Private employees	7.1	5.0	2.0	3.3	2.7	0.6	8.2	6.6	1.6
Goods-producing	7.4	5.3	2.1	3.6	3.0	0.6	9.1	7.5	1.6
Primary	5.9	4.1	1.8	3.2	2.5	0.8	8.1	6.2	1.9
Agriculture	6.1	4.1	2.0	3.0	2.3	0.8	7.6	5.7	1.9
Other	5.8	4.1	1.7	3.3	2.6	0.8	8.3	6.4	1.9
Utilities	6.7	4.7	2.0	3.2	2.6	0.7	8.0	6.4	1.7
Construction	6.9	4.9	2.0	3.7	3.0	0.7	9.1	7.4	1.7
Manufacturing	7.8	5.6	2.2	3.7	3.1	0.6	9.3	7.7	1.5
Durable	7.8	5.6	2.2	3.7	3.1	0.6	9.2	7.7	1.5
Non-durable	7.7	5.6	2.1	3.7	3.1	0.6	9.4	7.8	1.6
Service-producing	7.7	5.6	2.1	3.6	2.9	0.7	8.9	7.2	1.7
Trade	6.5	4.6	1.9	2.9	2.3	0.6	7.2	5.8	1.4
Wholesale	6.2	4.0	2.3	2.4	1.8	0.6	6.0	4.6	1.4
Retail	6.6	4.9	1.8	3.1	2.5	0.6	7.7	6.4	1.4
Transportation and warehousing	7.1	5.4	1.8	4.1	3.5	0.7	10.3	8.6	1.6
Finance, insurance, real estate and leasing	7.5	5.4	2.2	3.1	2.5	0.6	7.8	6.3	1.5
Finance and insurance	7.7	5.6	2.1	3.2	2.6	0.5	7.9	6.6	1.3
Real estate and leasing	6.7	4.4	2.3	2.9	2.1	0.8	7.3	5.2	2.1
Professional, scientific and technical	6.6	4.3	2.3	2.4	1.8	0.6	6.0	4.4	1.6
Management, administrative and support	8.1	5.7	2.4	3.5	2.7	0.9	8.8	6.7	2.1
Educational services	8.5	6.1	2.3	3.9	3.0	0.9	9.8	7.6	2.2
Health care and social assistance	9.8	7.7	2.1	5.3	4.5	0.8	13.4	11.3	2.0
Information, culture and recreation	7.2	5.3	1.9	3.2	2.6	0.6	8.0	6.5	1.5
Accommodation and food services	6.1	4.4	1.7	3.0	2.3	0.7	7.6	5.7	1.9
Other services	6.7	4.6	2.1	2.6	2.1	0.5	6.5	5.2	1.3
Public administration	9.3	6.8	2.5	4.4	3.6	0.8	11.0	8.9	2.0
Federal	11.0	7.7	3.3	5.0	3.9	1.1	12.5	9.7	2.8
Provincial	8.5	6.1	2.4	3.9	3.1	0.8	9.7	7.8	1.9
Local, other	7.9	6.3	1.6	4.1	3.6	0.5	10.2	9.0	1.2

Source: Labour Force Survey

* *Absent workers divided by total.*

** *Hours absent divided by hours usually worked.*

† *Inactivity rate multiplied by working days in year (250).*

Table 3: Absence rates for full-time paid workers by occupation, 2002, excluding maternity leave

	Incidence*			Inactivity**			Days lost per worker in year†		
	Total	Own illness or disability	Personal or family responsibilities	Total	Own illness or disability	Personal or family responsibilities	Total	Own illness or disability	Personal or family responsibilities
		%			%			days	
All occupations	**7.6**	**5.5**	**2.1**	**3.6**	**2.9**	**0.7**	**9.0**	**7.3**	**1.7**
Management	5.6	3.7	1.8	2.3	1.7	0.6	5.7	4.1	1.6
Business, finance and administrative	8.3	5.8	2.5	3.4	2.7	0.6	8.4	6.8	1.6
Professional	6.7	4.7	2.0	2.6	2.0	0.6	6.6	5.1	1.5
Financial and administrative	7.8	5.2	2.7	3.2	2.4	0.7	7.9	6.1	1.8
Clerical	8.9	6.4	2.5	3.7	3.0	0.6	9.1	7.6	1.6
Natural and applied sciences	6.6	4.3	2.2	2.4	1.8	0.7	6.1	4.4	1.7
Health	9.9	8.0	1.9	5.8	5.0	0.8	14.5	12.4	2.1
Professional	5.5	4.3	F	2.3	1.8	F	5.8	4.4	F
Nursing	10.9	8.8	2.1	6.7	5.7	1.0	16.8	14.2	2.6
Technical	8.9	7.0	2.0	5.0	4.3	0.7	12.4	10.7	1.7
Support staff	11.5	9.5	2.0	7.1	6.3	0.8	17.6	15.7	2.0
Social and public service	8.3	6.0	2.3	3.8	2.9	0.9	9.5	7.3	2.2
Legal, social and religious workers	8.4	6.0	2.4	3.8	3.1	0.8	9.6	7.6	2.0
Teachers and professors	8.2	5.9	2.2	3.8	2.8	1.0	9.4	7.0	2.4
Secondary and elementary	9.2	6.8	2.4	4.1	3.1	1.1	10.3	7.7	2.7
Other	5.6	3.8	1.9	2.8	2.1	0.7	7.0	5.3	1.7
Culture and recreation	7.3	5.3	2.0	3.0	2.3	0.6	7.5	5.9	1.6
Sales and service	6.9	5.1	1.8	3.5	2.8	0.7	8.6	7.0	1.6
Wholesale	5.9	3.8	2.1	2.3	1.7	0.6	5.9	4.3	1.5
Retail	6.3	4.7	1.6	2.9	2.4	0.5	7.4	6.1	1.3
Food and beverage	6.0	4.4	1.6	3.1	2.4	0.7	7.7	6.0	1.7
Protective services	6.5	4.8	1.7	3.9	3.2	0.8	9.8	7.9	1.9
Childcare and home support	9.2	6.8	2.4	4.3	3.6	0.7	10.9	9.0	1.8
Travel and accommodation	7.9	6.0	1.9	4.2	3.5	0.7	10.5	8.7	1.8
Trades, transport and equipment operators	7.4	5.5	1.9	4.0	3.4	0.6	10.1	8.5	1.6
Contractors and supervisors	6.1	4.0	2.1	3.0	2.4	0.6	7.4	6.0	1.4
Construction trades	8.4	6.3	2.1	4.9	4.2	0.7	12.2	10.4	1.8
Other trades	7.3	5.3	2.0	3.4	2.9	0.6	8.6	7.2	1.4
Transport equipment operators	6.5	4.9	1.6	4.1	3.4	0.7	10.2	8.6	1.7
Helpers and labourers	9.0	7.0	2.1	5.2	4.5	0.7	13.0	11.1	1.9
Occupations unique to primary industry	5.8	4.2	1.6	3.5	2.8	0.7	8.8	7.0	1.9
Occupations unique to production	8.8	6.6	2.3	4.4	3.8	0.6	11.0	9.4	1.6
Machine operators and assemblers	8.7	6.4	2.3	4.3	3.7	0.6	10.7	9.2	1.6
Labourers	9.5	7.3	2.2	5.1	4.4	0.7	12.6	10.9	1.7

Source: Labour Force Survey

* *Absent workers divided by total.*

** *Hours absent divided by hours usually worked.*

† *Inactivity rate multiplied by working days in year (250).*

Table 4: Absence rates for full-time paid workers by workplace size, job tenure, job status and union coverage, 2002, excluding maternity leave

	Incidence*			Inactivity**			Days lost per worker in year†		
	Total	Own illness or disability	Personal or family responsibilities	Total	Own illness or disability	Personal or family responsibilities	Total	Own illness or disability	Personal or family responsibilities
	%			%			days		
Workplace size									
Both sexes	**7.6**	**5.5**	**2.1**	**3.6**	**2.9**	**0.7**	**9.0**	**7.3**	**1.7**
Under 20 employees	6.6	4.6	2.0	3.0	2.4	0.6	7.6	6.0	1.6
20 to 99 employees	7.7	5.6	2.2	3.6	2.9	0.7	8.9	7.2	1.7
100 to 500 employees	8.1	5.9	2.1	3.9	3.2	0.7	9.8	7.9	1.9
Over 500 employees	8.5	6.5	2.0	4.4	3.7	0.6	10.9	9.3	1.6
Job tenure									
Both sexes	**7.6**	**5.5**	**2.1**	**3.6**	**2.9**	**0.7**	**9.0**	**7.3**	**1.7**
1 to 12 months	6.7	4.7	2.0	2.7	2.1	0.6	6.8	5.3	1.5
Over 1 to 5 years	7.5	5.3	2.2	3.3	2.6	0.7	8.3	6.5	1.8
Over 5 to 9 years	7.5	5.3	2.2	3.6	2.9	0.7	9.0	7.3	1.7
Over 9 to 14 years	8.5	6.3	2.2	4.3	3.6	0.7	10.8	9.0	1.8
Over 14 years	8.0	6.0	2.0	4.3	3.7	0.6	10.8	9.1	1.6
Job status									
Both sexes	**7.6**	**5.5**	**2.1**	**3.6**	**2.9**	**0.7**	**9.0**	**7.3**	**1.7**
Permanent	7.7	5.6	2.1	3.6	3.0	0.7	9.1	7.4	1.7
Non-permanent	6.7	4.7	2.0	3.1	2.5	0.7	7.8	6.1	1.6
Union coverage									
Both sexes	**7.6**	**5.5**	**2.1**	**3.6**	**2.9**	**0.7**	**9.0**	**7.3**	**1.7**
Union member or covered by collective agreement	9.4	7.3	2.1	5.1	4.3	0.8	12.7	10.8	1.9
Non-unionized	6.6	4.5	2.1	2.8	2.2	0.6	7.1	5.5	1.6

Source: Labour Force Survey

* *Absent workers divided by total.*

** *Hours absent divided by hours usually worked.*

† *Inactivity rate multiplied by working days in year (250).*

Table 5: Absence rates for full-time paid workers by province, region and census metropolitan area (CMA), 2002, excluding maternity leave

	Incidence*			Inactivity**			Days lost per worker in year†		
	Total	Own illness or disability	Personal or family responsibilities	Total	Own illness or disability	Personal or family responsibilities	Total	Own illness or disability	Personal or family responsibilities
	%			%			days		
Province and region									
Both sexes	**7.6**	**5.5**	**2.1**	**3.6**	**2.9**	**0.7**	**9.0**	**7.3**	**1.7**
Atlantic	7.6	5.7	1.8	3.8	3.2	0.6	9.6	8.1	1.5
Newfoundland and Labrador	6.3	4.6	1.7	3.3	2.7	0.6	8.3	6.7	1.6
Prince Edward Island	7.4	5.2	2.2	3.4	2.8	0.6	8.5	6.9	1.6
Nova Scotia	8.2	6.2	2.1	4.1	3.5	0.7	10.3	8.7	1.6
New Brunswick	7.6	6.0	1.6	3.9	3.4	0.5	9.7	8.4	1.3
Quebec	7.5	5.7	1.9	3.9	3.3	0.6	9.7	8.3	1.4
Ontario	7.5	5.2	2.3	3.3	2.6	0.7	8.3	6.5	1.8
Prairies	7.9	5.7	2.2	3.6	2.9	0.7	8.9	7.2	1.8
Manitoba	8.6	6.5	2.1	4.0	3.3	0.7	9.9	8.2	1.7
Saskatchewan	8.6	6.2	2.4	4.1	3.3	0.8	10.2	8.3	2.0
Alberta	7.5	5.4	2.2	3.3	2.6	0.7	8.3	6.5	1.8
British Columbia	7.5	5.6	1.9	3.8	3.1	0.7	9.4	7.7	1.7
CMA									
Both sexes	**7.6**	**5.5**	**2.1**	**3.6**	**2.9**	**0.7**	**9.0**	**7.3**	**1.7**
All CMAs	7.6	5.4	2.1	3.5	2.8	0.7	8.6	6.9	1.7
St. John's	7.3	5.2	2.1	3.4	2.7	0.7	8.5	6.8	1.8
Halifax	8.2	5.9	2.2	3.8	3.0	0.7	9.4	7.6	1.8
Saint John	7.2	5.6	1.6	3.8	3.3	0.5	9.4	8.2	1.2
Chicoutimi-Jonquière	6.4	4.7	F	3.7	3.1	F	9.2	7.8	F
Québec	7.2	5.2	2.0	3.8	3.0	0.8	9.4	7.4	2.0
Montréal	7.7	5.7	2.0	3.7	3.2	0.6	9.3	7.9	1.4
Trois-Rivières	7.2	5.8	F	4.3	3.8	F	10.6	9.6	F
Sherbrooke	7.2	5.6	F	3.8	3.3	F	9.5	8.3	F
Gatineau	9.6	7.2	2.3	4.3	3.6	0.7	10.7	9.0	1.8
Ottawa	8.9	6.1	2.7	3.4	2.7	0.7	8.5	6.6	1.8
Sudbury	6.7	4.9	F	3.4	2.8	F	8.6	7.1	F
Toronto	7.2	4.9	2.3	3.2	2.4	0.8	8.1	6.1	2.0
Hamilton	6.8	4.9	1.9	2.9	2.3	0.6	7.3	5.7	1.5
St. Catharines-Niagara	7.9	5.8	2.0	3.8	3.1	0.7	9.4	7.7	1.7
London	6.7	4.6	2.1	2.9	2.2	0.7	7.4	5.6	1.8
Windsor	8.1	6.1	2.0	4.1	3.5	0.7	10.3	8.6	1.7
Kitchener-Waterloo	8.3	5.7	2.6	3.1	2.5	0.7	7.8	6.1	1.7
Oshawa	7.8	5.3	2.5	3.2	2.5	0.7	8.1	6.3	1.7
Thunder Bay	8.6	6.3	F	4.6	3.7	F	11.4	9.3	F
Winnipeg	8.8	6.8	2.0	4.1	3.5	0.6	10.2	8.7	1.5
Regina	9.6	7.2	2.4	4.5	3.6	0.8	11.2	9.0	2.1
Saskatoon	7.8	5.6	2.2	3.4	2.8	0.6	8.5	7.0	1.5
Calgary	7.0	5.2	1.8	3.1	2.5	0.5	7.7	6.3	1.3
Edmonton	7.9	5.5	2.4	3.4	2.6	0.9	8.6	6.5	2.1
Vancouver	6.9	5.2	1.7	3.3	2.7	0.5	8.2	6.8	1.3
Victoria	8.0	5.8	2.2	4.2	3.3	0.9	10.4	8.2	2.3
Non-CMAs	7.5	5.5	2.1	3.8	3.2	0.6	9.6	8.0	1.6
Urban centres	8.0	6.0	2.1	4.0	3.2	0.7	9.9	8.1	1.9

Source: Labour Force Survey

* *Absent workers divided by total.*

** *Hours absent divided by hours usually worked.*

† *Inactivity rate multiplied by working days in year (250).*